



June 22, 2017

Mr. Brad Botwin, Director Industrial Studies
Office of Technology Evaluation, Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Avenue, NW – Room 1093
Washington, DC 20230

Re: Comments of the Can Manufacturers Institute (CMI) on Section 232 National Security Investigation of Imports of Aluminum

Dear Mr. Botwin:

The Can Manufacturers Institute (CMI), hereby submits the following comments on the Section 232 National Security Investigation of Imports of Aluminum.

- Can Manufacturers Institute, the national trade association of the metal can manufacturing industry in the United States, requests that aluminum can sheet, ingot, can sheet rolling slabs and slugs designated for beverage, food and aerosol containers be excluded from any tariffs or trade restrictions that result from the investigation by the Secretary of Commerce under Section 232 of the Trade Expansion Act of 1962. These items are as follows provided along with their corresponding number under the Harmonized Tariff Schedule of the United States (HTSUS):
 - 7606.12.3045 – Aluminum plates, sheets, and strip, of a thickness exceeding 0.2 mm: Of aluminum alloys: With a thickness of 6.3 mm or less: Body stock
 - 7606.12.3055 – Aluminum plates, sheets, and strip, of a thickness exceeding 0.2 mm: Of aluminum alloys: With a thickness of 6.3 mm or less: Lid stock
 - 7606.12.3090 – Aluminum plates, sheets, and strip, of a thickness exceeding 0.2 mm: Of aluminum alloys: With a thickness of 6.3 mm or less: Other
 - 7602.00.0030 – Aluminum used beverage container scrap
 - 7602.00.0090 – Aluminum waste and scrap other than used beverage container scrap.
 - 7606.92.3090 – Aluminum plates, sheet and strip of thickness exceeding 0.2 mm, of aluminum alloys, with a thickness of 6.3 mm or less: Other
 - 7601.10.6000 – Unwrought aluminum: Other
 - 7616.99 and 7606.91 - Aluminum slugs
 - 7601.20.90.90—Can Sheet Rolling Slabs
- CMI member facilities employ over 10,000 American workers and produce approximately 90 billion aluminum cans, all of which are made here in this country. The can manufacturing industry is responsible for \$11 billion in total economic activity in the United States and pays substantial taxes - \$1.75 billion in federal taxes and \$1.04 billion in state taxes annually.
- Aluminum can sheet and can sheet rolling slabs are not used by the U.S. Department of Defense, are not used in any defense applications and have no use to protect the National Security interests of the United States.

- We are concerned that if aluminum can sheet, can sheet rolling slabs and aluminum primary products are included within the scope of the remedies under consideration in the Section 232 investigation, the consequences to our industry will be disastrous. Aluminum cans will be placed at a significant price disadvantage versus our competition. Our beer, soft drink and food customers may decide to abandon canning as a packaging method. This will result in the loss of manufacturing jobs in the 52 can-making plants in 23 states and will probably result in the loss of manufacturing jobs at our customers' filling locations across the country as they idle or dismantle their can-filling operations. The shift to products not made of aluminum will inevitably cause a decrease in aluminum production, which is the exact opposite result of the stated goals of the Department of Commerce in this Section 232 investigation.
- Today, even if all of the available smelters were running at full capacity, the US would still have to import 83% of the total primary aluminum consumption.
- As domestic aluminum production has decreased over the years, consumption has increased.
- No Chinese primary aluminum is imported into the U.S. Over two thirds of the imported primary aluminum for cansheet comes from Canada.
- Despite decreased production, U.S. smelters are cash positive due to current aluminum prices.
- In addition, the U.S. is increasing the amount of secondary (recycled) aluminum, which is also a significant input into many aluminum products.
- Military-grade aluminum relies on primary aluminum (i.e., no recycled content), however, it only accounts for 2% of the overall U.S. aluminum product consumption.
- The effects of trade sanctions against the can industry would ripple through our supply chain and affect American coatings, transportation, and warehouse companies, along with all of their respective employees and the communities in which these employees live and work across the United States.
- CMI wants to maintain our industry's competitiveness. As outlined above, a trade action against aluminum can sheet, can sheet rolling slabs and primary aluminum/ingot would not be in our country's best interests.

Please contact us with any questions or comments. Our contact information is below. Thank you for your time and consideration.

Sincerely,



Robert Budway
President
Can Manufacturers Institute